

EXECUTIVE SECRETARIAT **Routing Slip**

TO:		ACTION	INFO	DATE	INITIAL
1	DCI				
2	DDCI				
3	EXDIR				
4	D/ICS				
5	DDI				
6	DDA				
7	DDO				
8	DDS&T				
9	Chm/NIC				
10	GC				
11	IG				
12	Compt				
13	D/EEO				
14	D/Pers				
15	D/OEA				
16	C/PAD/OEA				
17	SA/IA				
18	AO/DCI				
19	C/IRD/OIS				
20	EX/ECN				
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SUSPENSE _____ **Date** _____

Not referred to DOC. Waiver

Copied to:

Executive Secretary
2/15/89
Date

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CABINET AFFAIRS STAFFING MEMORANDUM

Executive Registry

83-0887

DATE: 2/3/83 NUMBER: DUE BY:

SUBJECT: Cabinet Council on Commerce and Trade - Minutes of 12/21/82

	ACTION	FYI		ACTION	FYI
ALL CABINET MEMBERS	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Baker	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Vice President	<input type="checkbox"/>	<input type="checkbox"/>	Deaver	<input type="checkbox"/>	<input type="checkbox"/>
State	<input type="checkbox"/>	<input type="checkbox"/>	Clark	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Treasury	<input type="checkbox"/>	<input type="checkbox"/>	Darman (For WH Staffing)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Defense	<input type="checkbox"/>	<input type="checkbox"/>	Harper	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Attorney General	<input type="checkbox"/>	<input type="checkbox"/>	Jenkins	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Interior	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Agriculture	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Commerce	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Labor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HHS	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
HUD	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Transportation	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Energy	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Education	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
Counsellor	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
OMB	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CIA	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
UN	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
USTR	<input type="checkbox"/>	<input type="checkbox"/>		<input type="checkbox"/>	<input type="checkbox"/>
CEA	<input type="checkbox"/>	<input checked="" type="checkbox"/>	CCCT/Gunn	<input type="checkbox"/>	<input checked="" type="checkbox"/>
CEQ	<input type="checkbox"/>	<input type="checkbox"/>	CCEA/Porter	<input type="checkbox"/>	<input checked="" type="checkbox"/>
OSTP	<input type="checkbox"/>	<input type="checkbox"/>	CCFA/Boggs	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCHR/Carleson	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCLP/Uhlmann	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCMA/Bledsoe	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	<input type="checkbox"/>	<input type="checkbox"/>	CCNRE/Boggs	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS: Attached are the minutes of the Cabinet Council on Commerce and Trade meeting held December 21, 1982.

Not referred to DOC. Waiver applies.

RETURN TO:

☐ Craig L. Fuller
Assistant to the President
for Cabinet Affairs
456-2823

☒ Becky Norton Dunlop
Director, Office of
Cabinet Affairs
456-2800



MINUTES

CABINET COUNCIL ON COMMERCE AND TRADE

Meeting #51, December 21, 1982

10:00 a.m., Room 248

Attendees: The Vice President, Messrs. Baldrige, Block, Donovan, Hodel, Brock, Feldstein, Wright, Trent, McNamar, McCormack, Rose, Draper, McPherson, Bolton, Fiske, Olmer, Driggs, Dederick, Morris, Harper, Porter, Darman, Garrett, Cicconi, Gunn, Cavaney, McMinn, Garfinkel, and Dr. Anderson, Ms. Dunlop, and Ms. Small

Automobile Industry Performance Review

Commerce Deputy Assistant Secretary Michael Driggs, reported on the financial condition and performance of the U.S. auto industry. He reported that domestic car sales remained flat through the second and third quarters, with some improvement in late October and November due to manufacturers' incentive programs. He noted that domestic car sales in 1982 will be at the lowest level since 1961 and that there is no evidence yet of a sustained increase in auto sales.

Import sales were down 5.8 percent in 1982. But, because import sales declined less than domestic deliveries, the import share of the market through November rose 0.7 percentage points above the 27.0 percent share for the first 11 months of 1981. It was noted that trucks were the only bright spot in domestic manufacturers' sales picture -- up 16.7 percent over 1981 through November. The import share of the truck market was 15.9 percent, down from 19.7 percent through November 1981. The industry's cash flow deficit is expected to be 4.7 billion for 1982. It was reported that U.S. auto makers are not investing capital in areas where they believe they will be unable to compete with the Japanese. This, he suggested, may point to an eventual abandonment of U.S. production of small cars.

The Council's discussion focused on the desirability of extending the voluntary restraint understanding with Japan and the long-term viability of the U.S. auto industry.

Action Taken: It was agreed that an interagency task force would be established to develop an Administration strategy for the U.S. auto industry.

State Export Financing Facilities

Commerce Assistant Secretary Bill Morris reported to the Council on proposals for state export financing facilities. The Council discussed the role the Administration should play with respect to these proposals. Secretary Baldrige suggested that the Administration establish guidelines to ensure that the programs are consistent with GATT and OECD rules governing export credits. CEA Chairman Feldstein agreed that there was a need to ensure GATT and OECD conform, but felt that the Administration should not encourage the states to initiate such programs. (The President and the CCCT decided on December 17 not to support the issuance of tax-exempt bonds by state export financing institutions.)

Cooperative Export Financing Companies (CEFCOs)

Assistant Secretary Morris recommended that Eximbank set aside a specific amount of funds, say, \$900 million, for parallel lending with CEFCOs.

Action Taken: It was agreed that the Commerce Department in cooperation with the Eximbank would maintain a small information center to guide the formation of properly designed non-federal export financing operations in order to ensure that U.S. trade obligations are not violated.

Also, in the ordinary course of business, Eximbank will provide technical assistance (possibly for a fee) and political and commercial risk insurance on a case-by-case basis.

The CCCT decided not to support a set-aside by Eximbank for parallel lending with CEFCOs, but agreed to have Eximbank provide parallel lending with CEFCOs on a case-by-case basis, within the limits of its resources and in accordance with its overall objectives.